

Message Text

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ACTION EB-07

INFO OCT-01 AF-06 ARA-10 EUR-12 EA-10 NEA-09 IO-10 ISO-00

AGR-10 CIAE-00 DODE-00 NSAE-00 NSCE-00 SSO-00 USIE-00

INRE-00 FEA-01 CEA-01 COME-00 FRB-01 H-02 INR-07

INT-05 L-02 LAB-04 NSC-05 PA-02 RSC-01 AID-05 CIEP-02

SS-15 STR-04 TAR-01 TRSE-00 PRS-01 SP-02 OMB-01 /137 W

----- 062361

O R 281115Z JAN 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 7658

INFO AMEMBASSY CANBERRA

AMEMBASSY LA PAZ

AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

AMEMBASSY BOGOTA

AMEMBASSY SAN JOSE

AMEMBASSY SANTO DOMINGO

AMEMBASSY QUITO

AMEMBASSY SAN SALVADOR

AMEMBASSY ADDIS ABABA

AMEMBASSY ACCRA

AMEMBASSY GUATEMALA

AMEMBASSY CONAKRY

AMEMBASSY PORT AU PRINCE

AMEMBASSY TEGUCIGALPA

AMEMBASSY NEW DELHI

AMEMBASSY JAKARTA

AMEMBASSY KINGSTON

AMEMBASSY NAIROBI

AMEMBASSY MONROVIA

AMEMBASSY MEXICO

AMEMBASSY MANAGUA

AMEMBASSY YAOUNDE

AMEMBASSY BANGUI

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AMEMBASSY COTONOU

AMEMBASSY LIBREVILLE
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AMEMBASSY ASUNCION
AMEMBASSY LIMA
AMEMBASSY ALGIERS
AMEMBASSY LISBON
AMEMBASSY KIGALI
AMEMBASSY FREETOWN
AMEMBASSY DAR ES SALAAM
AMEMBASSY PORT OF SPAIN
AMEMBASSY CARACAS
AMEMBASSY KINSHASA
AMEMBASSY LAGOS
AMCONSUL LUANDA
USMISSION GENEVA

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E.O. 11652: N/A
TAGS: OCON, ETRD, UK
SUBJ: COFFEE: PRESS RELEASE

1. FOLLOWING IS THE TEXT OF A PRESS RELEASE ISSUED BY FAUSTO CANTU PENA OF MEXICO, CHAIRMAN OF THE WORLD COFFEE PRODUCING COUNTRIES IN LONDON, JANUARY 27. RELEASE DISTRIBUTED AT INTERNATIONAL COFFEE ORGANIZATION MEETINGS BY MEXICAN REP TO ICO WHO SUBSEQUENTLY ATTEMPTED TO WITHDRAW IT. WE UNDERSTAND TEXT NOT CLEARED WITH OTHER PRODUCER DELEGATIONS PRIOR TO RELEASE. EMBASSY COMMENTS WILL FOLLOW.

2. BEGIN TEXT. THE WORLD COFFEE PRODUCING COUNTRIES HELD A MEETING IN LONDON THE 24TH AND 25TH JANUARY IN ORDER TO ANALYZE THE CURRENT SITUATION OF THE WORLD COFFEE MARKET, AND THE CAUSES THAT HAVE PUSHED THE PRICES DOWNWARDS, PARTICULARLY THE LEVELS OF OTHER MILDS, TO WHOM MEXICO BELONGS.

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IT WAS CONCLUDED THAT THE CAUSES THAT HAVE LEAD TO THE PRESENT SITUATION OF THE MARKET COULD NOT BE IMPUTABLE DIRECTLY TO THE COFFEE MARKET ITSELF. IN FACT, THERE IS A STATISTICAL SITUATION THAT FAVOURS GOOD PRICES, ASIDE OF THE CONSIDERABLE REDUCTIONS IN THE OCTOBER/DECEMBER 1974 EXPORTS, IN ACCORDANCE TO THE APPROVED RETENTION SCHEME.
AMONG THE REASONS DETERMINING THIS SITUATION STANDS

OUT THE UNCERTAINTY ORIGINATED ON THE U.S. TRADE ACT,
FAVOURING THE NEGATIVE SPECULATIONS THAT THE ACT COULD
BRING ABOUT IN RELATION TO THE PRODUCERS AGREEMENTS IN
ORDER TO DEFEND PRICES AND THE SETTLEMENT OF THE MULTI-
NATIONAL CORPORATIONS FOR MARKETING "SUAVES CENTRALES,
S.A."

THE PRODUCERS MADE CLEAR THEIR FAIR RIGHT TO DEFEND
THE PRICES AND STATED THAT THEY WILL RENEGOTIATE A NEW
AGREEMENT UNDER THE CONDITIONS MENTIONED BEFORE,

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ACTION EB-07

INFO OCT-01 ISO-00 AF-06 ARA-10 EA-10 EUR-12 NEA-09 RSC-01

IO-10 CIAE-00 DODE-00 NSAE-00 NSCE-00 SSO-00 USIE-00

INRE-00 FEA-01 AGR-10 CEA-01 COME-00 FRB-01 H-02

INR-07 INT-05 L-02 LAB-04 NSC-05 PA-02 AID-05 CIEP-02

SS-15 STR-04 TAR-01 TRSE-00 PRS-01 SP-02 OMB-01 /137 W

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O R 281115Z JAN 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 7659

INFO AMEMBASSY CANBERRA

AMEMBASSY LA PAZ

AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

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PROVIDING THAT IT WILL MAINTAIN THE REAL VALUE OF COFFEE,
AUTOMATIC PRICES ADJUSTMENTS AND THE APPROPRIATE
SUPPLY IN ACCORDANCE WITH THE NEEDS OF THE MARKET.
HOWEVER, UP TO THE PRESENT MOMENT, WE HAVE NOT NOTICED
A POLITICAL WILL AS FAR AS THE IMPORTING COUNTRIES ARE
CONCERNED TO GO AHEAD WITH A NEGOTIATION UNDER THE
CONDITIONS STATED ABOVE.
THE WORLD COFFEE PRODUCING COUNTRIES AGREED TO
MEET DURING THE FIRST HALF OF FEBRUARY, IN ORDER TO
REACH RADICAL MARKET DECISIONS TO CORRECT THE CURRENT
SITUATION, LIFTING THE PRICES TOWARDS REMUNERATIVE
PRICES. UNLESS WE DO SO, THE COFFEE PRODUCING COUNTRIES
WILL LOSE PURCHASING POWER ON MACHINERY, EQUIPMENT AND
RAW MATERIALS FROM CONSUMING COUNTRIES. ASIDE OF THE
FALL ON PRICES, THE PRODUCTION ITSELF IS UNDER THREAT

BECAUSE OF THE CURRENT INTERNATIONAL PRICES, BEING
BELOW PRODUCTIONS COSTS IN MOST OF THE COFFEE PRODUCING
COUNTRIES AT THE PRESENT MOMENT.
MINOR LEGAL DETAILS ARE BEING SETTLED TO PUT INTO
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WORK THE CORPORATION "SUAVES CENTRALES, S.A." WHICH WILL
HAVE ITS HEADQUARTERS IN CARACAS, VENEZUELA.
THE CHAIRMAN OF THE WORLD COFFEE PRODUCING COUNTRIES
WILL LEAVE TOMORROW TO ALGIERS TO CONTINUE THESE
NEGOTIATIONS, SEEKING FINANCIAL SUPPORT, COMPLIMENTARY
TO THOSE OF VENEZUELA, IN ORDER TO SUSTAIN COFFEE
PRICES. END TEXT.

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Message Attributes

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Disposition Approved on Date:
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Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
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Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COFFEE: PRESS RELEASE
TAGS: OCON, ETRD, UK, ICO, (CANTU PENA, FAUSTO)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006